

HEADLINES OF THE MONTH

- ❖ *Majority of representations sent to delay pack warnings is by tobacco industry*
- ❖ *Agricultural ministry backs bolder pictorial warnings and declares that it does not encourage tobacco cultivation*
- ❖ *ITC's operating profit on rise over the last decade*
- ❖ *ITC's chief hits out at NGO's working in tobacco control, says taxes hurt*

[Majority of representations sent to delay pack warnings is by tobacco industry](#)

Government had sought public suggestions on certain measures like implementing larger pack warnings and other tobacco control policies. The result was unprecedented: 45,000 e-mails and more than 100,000 letters delivered by mail. Some health officials suspect the letter-writing campaign was orchestrated by the tobacco industry to hold up the process. At least one pack of letters seen by Reuters consisted of dozens of the same printed objections signed by different people. Several protest e-mails came from employees of India's largest cigarette maker, ITC Ltd. The government has vowed to read all public suggestions which will further delay the implementation of larger pack warnings.

A health ministry official commenting on the representation received says "It appears to be an organised campaign as a lot of letters were photocopied and sent in same-coloured envelopes from one town or village"

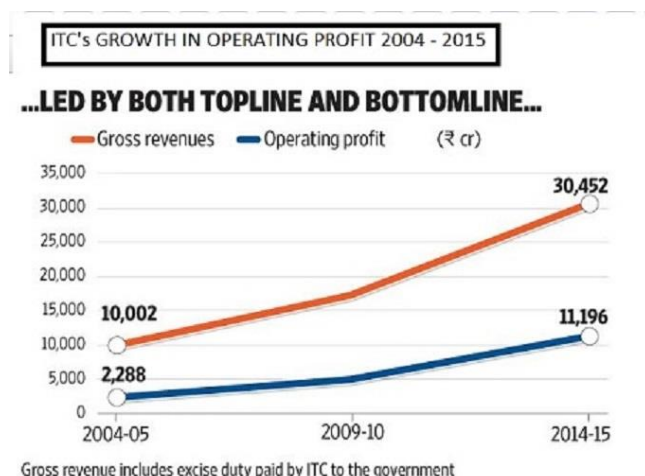
[Agricultural ministry backs bolder pictorial warnings and tells it does not encourage tobacco cultivation](#)

In what could be a further push to implement larger pictorial warnings the ministry of agriculture has come out in full support to the proposal. Appearing before the committee on subordinate legislation, the ministry conveyed that it "do not support" tobacco cultivation and, hence, have "no objection" to the amendments for bolder pictorial warnings.

[ITC's operating profit on the rise in the last decade](#)

In the last decade, when taxes on cigarettes increased tenfold, when warning labels on cigarette packs exploded in size, when curbs were placed on smoking in public places, when public advocacy and awareness of the dangers of smoking was probably at its loudest, the operating profit of ITC's cigarette business increased fivefold, operating margin by 14 percentage points and stood at 36.8% in 2014-15. Including product taxes, ITC made a profit of 37 paise on every rupee of cigarettes sold in 2014-

15; excluding taxes, it made 67 paise. In terms of profitability, it had an operating profit of 11,196 crore in 2014-15 and not a single listed company in the corporate comes close.



[ITC chief hits out at anti-tobacco lobby, says taxes hurting](#)

Chairman of ITC, YC Deveshwar, has lashed out at the anti-tobacco lobby, and blamed the steep taxation regime for hurting the domestic cigarette-makers. While questioning the

ITC chairman Mr. Deveshwar said "We are continuously engaging with governments, both at the central and state levels and hopefully there will be some rationality next year"

Government's rationale behind high taxation on cigarettes, the ITC Chairman claimed it aided smuggling and deprived the exchequer at least Rs. 7,000 crore. He claimed the smuggled cigarettes captured around 20 per cent of the

market. He also termed some of the NGOs vocal against smoking as "agents of foreign firms" and questioned their funding sources. "If you check the fund sources of these NGOs, you will see they are funded either by some who are not happy with our foray into the FMCG or by some foreign firms. This is my guess," he said. He also questioned that if cigarettes were so harmful, then why they were being sold in duty-free shops at airports.

IndiaTobaccoWatch (ITW) is an initiative by organizations working in tobacco control across India to monitor and counter the activities of tobacco industry. Spread the word.

VISIT US TO SUBSCRIBE FOR LATEST UPDATES AT: www.indiatobaccowatch.org

